

Message Text

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E.O. 11652: NA

TAGS: EINV HA

SUBJ: TRANSLINEAR NEGOTIATIONS WITH GOH

REF: A. PORT AU PRINCE 145; B. PAP 1557; C. PAP 1524

1. SUMMARY. CHAIRMAN OF THE BOARD OF TRANSLINEAR, WILLIAM CROOK, IS EXPECTED TO VISIT DEPARTMENT (EITHER DEPUTY ASST SECRETARY LUERS OR DIRECTOR CARIBBEAN AFFAIRS JOHN BURKE) ON JULY 18 TO COMPLAIN ABOUT FAILURE OF GOH TO FOLLOW THROUGH ON PROPOSED CONTRACT. EMBASSY HAS EXPRESSED CONCERN TO GOH AT DELAYS IN RESPONDING TO COMPANY'S PROPOSAL BUT HAS RECEIVED NO COMMITMENT OR EXPLANATION FOR DELAYS. WE ARE OF VIEW THAT PRESIDENT HAS NOT YET MADE DEFINITIVE DECISION AND THAT TRANSLINEAR MIGHT BE BEST ADVISED TO MODIFY ITS REACTION UNTIL SITUATION IS CLEARER. END SUMMARY.

2. TRANSLINEAR OFFICIALS ARE EXTREMELY CONCERNED AT FACT THAT GOH HAS NEITHER TURNED DOWN THE TRANSLINEAR PROPOSAL TO DEVELOP THE ILE DE LA TORTUE, NOR OFFERED COMPENSATION, NOR OFFERED TO RESUME NEGOTIATIONS WITH THE COMPANY. WITH THE DISSOLUTION OF THE PRESIDENT'S SPECIAL COMMISSION ON FOREIGN INVESTMENT, WHICH WAS SUPPOSED TO EXAMINE THE CONTRACT DEVELOPED BY GOH NEGOTIATOR

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HENRI BAYARD AND TRANSLINEAR'S PRESIDENT WILLIAM CARDEN, SECRETARY OF FINANCE BROS APPARENTLY HAS THE RESPONSIBILITY OF EITHER

RENEWING NEGOTIATIONS OR REQUESTING PRESIDENT TO NAME A NEW NEGOTIATOR. HOWEVER, COMPANY'S LAWYER HAS BEEN UNABLE TO OBTAIN ANY REACTION IN HIS APPROACHES TO BROS.

3. IN VIEW OF THE DELAYS, AMBASSADOR, IN CONTEXT OF A DISCUSSION ON FOREIGN INVESTMENT CLIMATE, STRESSED TO SECRETARY BROS THE IMPORTANCE OF PROVIDING A PROMPT RESPONSE TO TRANSLINEAR. HE POINTED OUT THAT, WHILE DECISION ON RENEGOTIATING CONTRACT IS ONE FOR GOH, COMPANY HAD INVESTED ON ISLAND AND SHOULD BE RECOMPENSED IF GOH DECIDED NOT TO PROCEED. BROS TOOK CAREFUL NOTE OF COMMENTS AND PROMISED TO CONSIDER PROBLEM.

4. EMBECONOFF FOLLOWED UP ON MATTER, MAKING SIMILAR PRESENTATION TO UNDER SECRETARY OF COMMERCE AND INDUSTRY BAYARD, WHO HAD CONDUCTED ORIGINAL NEGOTIATIONS. BAYARD WAS A BIT EVASIVE, NOTING (A) THAT THE PRESIDENT'S SPECIAL COMMISSION ON FOREIGN INVESTMENT HAD BEEN DISSOLVED BECAUSE IT WAS TOO LARGE AND CUMBERSOME; (B) THAT SECRETARY BROS WAS TOO BUSY WITH THE COUNTRY'S CURRENT ECONOMIC AND FISCAL PROBLEMS TO CONCENTRATE ON A SPECIFIC INVESTMENT PROPOSAL AND (C) THAT ENACTMENT OF THE NEW LAND LAW (REF B AND C) MIGHT HAVE REPERCUSSIONS ON THE PROPOSED CONTRACT. BAYARD INSISTED THAT HE, PERSONALLY, WAS IN FAVOR OF THE CONTRACT, SINCE IT WOULD ENCOURAGE TOURISM. BAYARD THEN SUGGESTED THAT, IF TTX NEGOTIATIONS WITH REYNOLDS WHICH HE IS CHAIRING THE WEEK OF JULY 21-25 WERE SUCCESSFUL, HE WOULD BROACH SUBJECT OF TRANSLINEAR TO PRESIDENT. (IMPLICATION OF HIS COMMENT WAS THAT PRESIDENT WOULD BE IN A GOOD MOOD GENERALLY AND PLEASED WITH BAYARD SPECIFICALLY; THUS, BAYARD'S APPROACH WOULD RECEIVE A BETTER HEARING.)

5. COMMENT: IT SEEMS CLEAR THAT THERE IS OPPOSITION TO THE PROPOSED CONTRACT WITH TRANSLINEAR, EITHER WITHIN THE GOH OR WITHIN PALACE CIRCLES, BUT EMBASSY HAS BEEN UNABLE TO DISCOVER NATURE OF OPPOSITION, E.G., SOVEREIGNTY ISSUES, NATIONALISTIC AND CONSERVATIONIST GROUNDS, FEAR OF SMUGGLING FROM PROPOSED FREE PORT TO MAINLAND, DESIRE FOR "FRONT MONEY", OR INTEREST IN SUBSTITUTING SOME OTHER COMPANY FOR TRANSLINEAR. PRESIDENT HAS APPARENTLY NOT MADE A FIRM DECISION, AND NO ONE IN GOH WILL MAKE A MOVE TOWARD TRANSLINEAR UNTIL HE DOES.

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